



**VILNIAUS  
BALDAI**

ANNO 1883

*... Better  
Faster  
Stronger ...*

# Vilniaus Baldai AB

INTERIM  
CONDENSED  
CONSOLIDATED  
FINANCIAL STATEMENT  
FOR THE TWELVE MONTHS  
OF 2014

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## COMPANY INFORMATION

### 1. Reporting period covered by this Financial Statement

The Financial Statement has been drawn up for the twelve months of 2014.

### 2. Main data about the issuer

Name of the issuer	Joint stock company (AB) Vilniaus Baldai
Code	121922783
Authorized capital	15 545 068 LTL
Office address	Savanoriu Ave. 178B, LT - 03154 Vilnius
Telephone	(+370~5) 252 57 00
Fax	(+370~5) 231 11 30
E-mail	<a href="mailto:info@vilniausbaldai.lt">info@vilniausbaldai.lt</a>
Website	<a href="http://www.vilniausbaldai.lt">www.vilniausbaldai.lt</a>
Legal form	Joint stock company
Registration date and place	9 February 1993, Vilnius City Board
Register, where all the information about the Company is collected and stored	Register of legal entities
Type of activity	Design, production and selling of the office, bedroom, living-room and hall furniture

Information about the subsidiary company of the issuer one

Name of the issuer	Limited liability company (UAB) Ari - Lux
Code	120989619
Authorized capital	10 000 LTL
Share of (AB) Vilniaus Baldai in the company	100 %
Office address	Savanoriu Ave. 178B, LT - 03154 Vilnius
Telephone	(+370~5) 252 57 44
Fax	(+370~5) 252 57 44
E-mail	<a href="mailto:aleksas.rimkus@ari-lux.lt">aleksas.rimkus@ari-lux.lt</a>
Website	-
Legal form	Limited liability company
Registration date and place	28 October 1991, Vilnius City Board
Register, where all the information about the Company is collected and stored	Register of legal entities
Type of activity	Packaging

### 3. Information about where and how to access the Financial Statement and the documents, on the basis of which it has been drawn up, and the designation of the means of mass media for announcements

The Financial Statement and supporting documents, on the basis of which it has been drawn up, can be accessed at the Company's registered office at Savanoriu Ave. 178B, Vilnius.

The means of mass media for Vilniaus Baldai AB announcements: NASDAQ OMX Vilnius AB, Central Storage Facility – Search for information.

#### 4. Board

Prezident of Board: Vytautas Bucas.  
Members of Board: Dalius Kaziunas,  
Vaidas Savukynas.

#### 5. Persons responsible for the accuracy of the information in the Financial Statement

Members of the managing bodies, employees and the Head of the Administration of the issuer are responsible for the accuracy of the information:

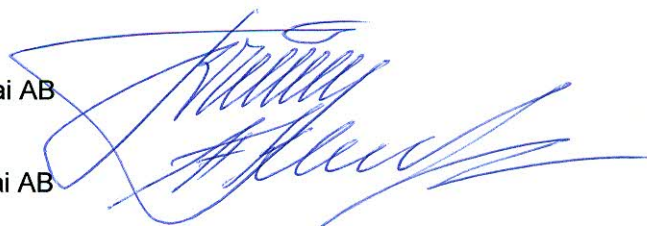
Rimantas Vaitkus, Chief Executive Officer, tel. (+370~5) 252 57 00, fax. (+370~5) 231 11 30,  
Ausra Kibirksiene, Chief Financial Officer, tel. (+370~5) 252 57 20.

6. Declaration by the members of the issuer's managing bodies, employees, the Head of the Administration and the issuer's consultants that the information contained in the Financial Statement is in accordance with the facts and that the Financial Statement makes no omission likely to have an effect on the investors' decision concerning purchase, sale or valuation of the issuer's securities or on the market price of these securities

Vilniaus Baldai AB, represented by Rimantas Vaitkus, Chief Executive Officer, and Ausra Kibirksiene, Chief Financial Officer, hereby confirm that the information contained in the Financial Statement is in accordance with the facts and that the Financial Statement makes no omission likely to have an effect on the investors' decision concerning purchase, sale or valuation of the issuer's securities or on the market price of these securities.

Rimantas Vaitkus, Chief Executive Officer of Vilniaus Baldai AB

Ausra Kibirksiene, Chief Financial Officer of Vilniaus Baldai AB



Date of signing the Report – 24 February 2015.

## INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT FOR THE TWELVE MONTHS OF 2014

The auditors reviewed the Financial Statements of 31.12.2013, while those of 31.12.2014 are unaudited.

### 1. STATEMENT OF FINANCIAL POSITION

	LTL thousand	
	31.12.2014	31.12.2013
<b>Assets</b>		
<b>Non - current assets</b>		
Non - current tangible assets	48 018	48 982
Intangible assets	130	126
Deferred income tax asset	232	159
<b>Total non - current assets</b>	<b>48 380</b>	<b>49 267</b>
<b>Current assets</b>		
Inventories	15 676	13 538
Trade debtors	15 685	12 041
Current income tax prepayment	629	1 735
Other accounts receivable	1 527	1 362
Cash and cash equivalents	3 783	2 082
<b>Total current assets</b>	<b>37 300</b>	<b>30 758</b>
<b>Total assets</b>	<b>85 680</b>	<b>80 025</b>
<b>Shareholders' equity and liabilities</b>		
<b>Capital and reserves</b>		
Share capital	15 545	15 545
Legal reserve	1 554	1 554
Reserve for acquisition of own shares	-	25 000
Retained earnings	16 519	9 302
<b>Total capital and reserves</b>	<b>33 618</b>	<b>51 401</b>
<b>Non - current liabilities</b>		
Provision for employee benefits	2 055	1 660
Loans and other interest bearing payables	12 373	225
<b>Total non - current liabilities</b>	<b>14 428</b>	<b>1 885</b>
<b>Current liabilities</b>		
Loans and other interest bearing payables	17 766	5 602
Debts to suppliers	12 372	14 974
Other liabilities	7 496	6 163
<b>Total current liabilities</b>	<b>37 634</b>	<b>26 739</b>
<b>Total liabilities</b>	<b>52 062</b>	<b>28 624</b>
<b>Total equity and liabilities</b>	<b>85 680</b>	<b>80 025</b>

## 2. STATEMENT OF COMPREHENSIVE INCOME

LTL thousand

	2014 I - IV quarter, ended 31 December	2013 I - IV quarter, ended 31 December	2014 IV quarter, ended 31 December	2013 IV quarter, ended 31 December
Revenue	213 066	166 116	54 287	44 420
Cost of sales	(185 618)	(141 335)	(48 418)	(38 722)
<b>Gross profit</b>	<b>27 448</b>	<b>24 781</b>	<b>5 869</b>	<b>5 698</b>
Distribution costs	(3 106)	(3 559)	(755)	(687)
Administrative costs	(6 620)	(6 304)	(2 164)	(2 117)
Other operating income, net	628	733	189	195
<b>Profit from operating activities</b>	<b>18 350</b>	<b>15 651</b>	<b>3 139</b>	<b>3 089</b>
Financial income	13	78	6	1
Financial costs	(408)	(69)	(135)	(37)
Financial income, net	(395)	9	(129)	(36)
<b>Profit before taxes</b>	<b>17 955</b>	<b>15 660</b>	<b>3 010</b>	<b>3 053</b>
Income tax	(1 479)	(1 349)	(179)	(153)
<b>Profit for the period</b>	<b>16 476</b>	<b>14 311</b>	<b>2 831</b>	<b>2 900</b>
Other comprehensive income	(60)	58	(60)	58
<b>Total comprehensive income for the period</b>	<b>16 416</b>	<b>14 369</b>	<b>2 771</b>	<b>2 958</b>
<b>Attributable to Owners of the Company:</b>				
Profit	16 476	14 311	2 771	2 900
Other comprehensive income	(60)	58	(60)	58
Total comprehensive income	16 416	14 369	2 711	2 958
Earnings per share (in LTL)	4.24	3.68	0.71	0.75

### 3. STATEMENT OF CHANGES IN EQUITY

LTL thousand

	Share capital	Legal reserve	Obligatory reserve	Accrued earnings	Total
<b>Balance as of 31 December 2012</b>	<b>15 545</b>	<b>1 554</b>	<b>25 000</b>	<b>29 909</b>	<b>72 008</b>
Net profit	-	-	-	14 311	14 311
Other comprehensive income	-	-	-	58	58
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14 369</b>	<b>14 369</b>
<b>Transactions with owners</b>					
Dividends to equity holders of the Company	-	-	-	(34 976)	(34 976)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(34 976)</b>	<b>(34 976)</b>
<b>Balance as of 31 December 2013</b>	<b>15 545</b>	<b>1 554</b>	<b>25 000</b>	<b>9 302</b>	<b>51 401</b>
Net profit	-	-	-	16 476	16 476
Other comprehensive income	-	-	-	(60)	(60)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16 416</b>	<b>16 416</b>
<b>Transactions with owners</b>					
Dividends to equity holders of the Company	-	-	-	(34 199)	(34 199)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(34 199)</b>	<b>(34 199)</b>
<b>The recovery obligatory reserve</b>	<b>-</b>	<b>-</b>	<b>(25 000)</b>	<b>25 000</b>	<b>-</b>
<b>Balance as of 31 December 2014</b>	<b>15 545</b>	<b>1 554</b>	<b>-</b>	<b>16 519</b>	<b>33 618</b>

#### 4. STATEMENT OF CASH FLOWS

LTL thousand

	31.12.2014	31.12.2013
Net profit (loss)	16 476	14 311
Adjustments:		
Depreciation and amortization	6 319	5 410
Result on disposal, writing off, etc. of non-current	47	9
Changes in provisions	395	(93)
Interest (income) expenses	371	(31)
Deferred income tax (income) expenses	(73)	6
Income tax expenses	1 552	1 343
Other expenses (income)	(60)	58
<b>Cash flows from ordinary activities before changes</b>	<b>25 027</b>	<b>21 013</b>
Changes in trade receivables and other amounts	(4 255)	568
Changes in inventories	(2 138)	4 959
Changes in debts to suppliers and other liabilities	(2 071)	(4 221)
Income tax paid	-	(340)
<b>Cash flows from operating activities</b>	<b>16 563</b>	<b>21 979</b>
(Acquisition) of tangible non-current assets	(5 408)	(15 869)
Sale / writing of non-current tangible assets	2	6
Transfer (to) from time deposits	-	21 336
<b>Cash flows from investing activities</b>	<b>(5 406)</b>	<b>5 473</b>
Loans (granted) / repaid	-	-
Loans received / (repaid)	24 312	5 494
Interest (paid) / received	(335)	72
Dividends (paid)	(33 433)	(34 107)
<b>Cash flows from financing activities, net</b>	<b>(9 456)</b>	<b>(28 541)</b>
<b>Cash flows from operating, investing and financing</b>	<b>1 701</b>	<b>(1 089)</b>
<b>Cash and cash equivalents as of 1 January</b>	<b>2 082</b>	<b>3 171</b>
<b>Cash and cash equivalents as of 31 December</b>	<b>3 783</b>	<b>2 082</b>



## 5. EXPLANATORY NOTES

### 1 SUMMARY OF THE BASIC ACCOUNTING PRINCIPLES AND PRACTICES

The public company Vilniaus Baldai (Company) is a listed Company in Lithuania.

The Company manufactures furniture. As of 31 December 2014 the Group employed 671 people, the Company employed 629 people (on 31 December 2013 the Group employed 488 employees, the Company – 454).

The Company's shares are traded on the Official List of the NASDAQ OMX Vilnius AB Stock Exchange.

#### **Significant accounting policies**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (hereinafter the EU). The financial statements have been prepared under the historical cost convention.

*Relevant new or amended standards and interpretations effective in 2014*

**IFRS 10, Consolidated Financial Statements**, (effective for annual periods beginning on or after 1 January 2014), replaces all of the guidance on control and consolidation in IAS 27 "Consolidated and separate financial statements" and SIC-12 "Consolidation - special purpose entities". The Group and the Company is currently assessing the impact of the standard on the financial statements.

**IFRS 12, Disclosure of Interest in Other Entities**, (effective for annual periods beginning on or after 1 January 2014), applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. The Group and the Company is currently assessing the impact of the standard on the financial statements.

**IAS 27, Separate Financial Statements**, (revised in May 2011 and effective for annual periods beginning on or after 1 January 2014). The Group and the Company is currently assessing the impact of the standard on the financial statements.

There are no other new or revised standards or interpretations that are not yet effective that would be expected to have a material impact on the Group and the Company.

### **Basis for drawing up of the interim condensed consolidated statement**

The interim condensed consolidated financial statements for the nine months ended 31 December 2014 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's and the Company's annual financial statements as at 31 December 2013.

In the financial statements all figures are provided in LTL thousand. The statements are drawn up applying the method of historical costs.

When drawing up the financial statements in accordance with the IFRS, the managers are required to make calculations and estimations to support the assumptions that have an impact on application of the accounting principles and on the amounts of assets and liabilities, income and costs. The calculations and related assumptions are based on historical experience and other factors that correspond to the present situation and on the basis of which conclusions concerning the carrying amount of assets and liabilities are made that cannot be decided on the basis of other sources. The actual amounts may differ from these assumptions.

The Group's and the Company's accounting policies are consistent with those used in the previous years.

### **Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in a local currency, the litas (LTL), which was the Company's functional and presentation currency.

Starting from 2 February 2002 till 31 December 2014, Lithuanian litas was pegged to euro at the rate of 3.4528 litas for 1 euro, and the exchange rates in relation to other currencies were set daily by the Bank of Lithuania.

### **Principles of consolidation**

The consolidated financial statements of the Group include Vilniaus Baldai AB and its subsidiary. The control is normally evidenced when the Group owns, either directly or indirectly, more than 50 percent of the voting rights of a company's share capital and/or is able to govern the financial and operating policies of an enterprise so as to benefit from its activities.

Subsidiaries are consolidated from the date from which effective control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Company. All intercompany transactions, balances and unrealized gains and losses on transactions among the Group companies have been eliminated.

Consolidated financial statements are prepared on the basis of the same accounting principles applied to similar transactions and other events under similar circumstances. Financial statements of Subsidiary were prepared for the same period as that of the Company.

### **Intangible assets**

Intangible assets are measured initially at cost. Intangible assets are recognized if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets are amortized on a straight-line basis over the best estimate of their useful lives.

#### Software

The costs of acquisition of new software are capitalized and treated as an intangible asset if these costs are not an integral part of the related hardware. Software is amortized over a period not exceeding 3 years.

Costs incurred in order to restore or maintain the future economic benefits that the Group and the Company expects from the originally assessed standard of performance of existing software systems are recognized as an expense when the restoration or maintenance work is carried out.

### **Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses.

When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of comprehensive income.

The initial cost of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been put into operation, such as repair and maintenance costs, are normally charged to the statement of comprehensive income in the period the costs are incurred.

Depreciation is computed on a straight-line basis over the following estimated useful lives:

Buildings	10 - 66 years
Machinery and equipment	6 - 10 years
Vehicles	5 - 10 years
Other property, plant and equipment	2 - 6 years.

The assets' residual values and useful lives are reviewed periodically to ensure that the period of depreciation is consistent with the expected pattern of economic benefits from items in property, plant and equipment.

Construction-in-progress is stated at cost. This includes the cost of construction, plant and equipment and other directly attributable costs. Construction-in-progress is not depreciated until the relevant assets are completed and available for use.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial time to get ready for intended use or sale (qualifying assets) are capitalized as part of the costs of those assets.

Capitalization of borrowing costs continues up to the date when the assets are substantially ready for their use or sale.

The Group capitalizes borrowing costs that could have been avoided if it had not made capital expenditure on qualifying assets. Borrowing costs capitalized are calculated at the group's average funding cost (the weighted average interest cost is applied to the expenditures on the qualifying assets), except to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. Where this occurs, actual borrowing costs incurred less any investment income on the temporary investment of those borrowings are capitalized.

### **Financial assets**

Financial assets are classified as either financial assets at fair value through profit or loss, held –to - maturity investments, loans and receivables, and available – for - sale financial assets, as appropriate. The Company determines the classification of its financial assets based on its nature and purpose at initial recognition.

Financial assets are recognized on a trade date basis where the purchase or sale process is under a contract, which terms require delivery of the financial assets within the timeframe established by the market concerned. Financial assets are recognized initially at fair value, plus, in the case of investments are not carried at fair value through profit or loss, directly attributable transaction costs.

The Group's/ Company's financial assets include cash, time deposits, trade receivables and other receivables and loans are classified in the category of loans and receivables.

The subsequent measurement of financial assets depends on their classification as follows:

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method. Gains or losses are recognized in the statement of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process. Receivables are initially recorded at the fair value of the consideration given. Current receivables are subsequently carried at cost less impairment, and non-current receivables and loans granted - at amortized cost, less impairment.

Loans and receivables are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

#### Effective interest rate method

Effective interest rate method is used to calculate amortized cost of financial assets and allocate interest income over the relevant period. The effective interest rate exactly discounts estimated future cash flows through the expected life of the financial asset.

#### Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group/ Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass through" arrangement; or
- the Group/ Company has transferred their rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### **Investments into subsidiaries**

Investments in subsidiaries and associated companies are accounted at cost in the Company's separate financial statements. Cost of investment is decreased by impairment losses. An assessment of recoverable amount of investment is performed for each investment individually.

Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount in the Company's statements of financial position, an impairment loss is recognized.

### **Inventories**

Inventories are initially recorded at acquisition cost. Subsequent to initial recognition, inventories are valued at the lower of cost or net realizable value, after impairment evaluation for obsolete and slow - moving items. Net realizable value is the selling price in the ordinary course of business, less the costs of completion and applicable variable marketing and distribution costs. Cost is determined by the first-in, first-out (FIFO) method. The cost of finished goods and work in progress includes the applicable allocation of fixed and variable overhead costs based on a normal operating capacity. Unrealizable inventory is fully written-off.

### **Trade receivables**

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non - current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

### **Cash and cash equivalents**

Cash includes cash on hand and cash with banks and bank overdrafts. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, time deposits held at call with banks with original maturities of 3 months or less and other short-term highly liquid investments.

### **Share capital**

Ordinary shares are classified as equity. Ordinary shares are stated at their par value.

### **Dividends distribution**

Dividend distribution to the company's shareholders is recognized as a liability in the group's financial statements in the period in which the dividends are approved by the company's shareholders. Dividends paid are classified as financing cash flows in the statement of cash flows.

### **Borrowings**

Borrowing costs are expensed as incurred, unless they are directly attributable to acquisition, construction or production of a qualifying asset.

Borrowings are initially recognized at fair value of proceeds received, less the costs of transaction. They are subsequently carried at amortized cost, the difference between net proceeds and redemption value being recognized in the net profit or loss over the period of the borrowings using the effective interest method.

Interest paid is classified as financing activities cash flows in the statement of cash flows.

### **Leases**

*The Company and the Group are the lessees*

#### *(a) Finance lease*

Leases of property, plant and equipment where the Company and the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the estimated present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant interest rate on the finance balance outstanding. The

corresponding rental obligations, net of finance charges, are included in long-term payables except for installments due within 12 months which are included in current liabilities.

The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

*(b) Operating lease*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

*The Company and the Group are the lessors*

*(c) Operating lease*

Payments received under operating leases (net of any incentives given to the lessee) are credited to the statement of comprehensive income on a straight-line basis over the period of the lease.

**Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

**Employee benefits**

*(a) Social security contributions*

The Company and the Group pay social security contributions to the state Social Security Fund (the Fund) on behalf of its employees based on the defined contribution plan in accordance with the local legal requirements. A defined contribution is a plan under which the Company/ Group pays fixed contributions into the Fund and will have no legal or constructive obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior period. Social security contributions are recognized as expenses on an accrual basis and are included in payroll expenses.

*(b) Termination benefits*

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group or the Company recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to their present value.

*(c) Bonus plans*

The Company recognizes a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

*(d) Provisions for pensions and jubilee payments*

According to the terms of the collective agreement effective at the Company, each employee is entitled to a jubilee payment and 2–3 months' salary payment when retiring after reaching the pension age. Actuarial calculations are made to determine liability for such payments. The liability is recognized at present value discounted using market interest rate.

The Company recognizes remeasurements of the pension benefit obligation in 'Other comprehensive income that will not be reclassified to profit or loss', while service cost and net interest is recognized within profit or loss. Jubilee benefits and long-service benefits are accounted for by the Company within profit or loss.

**Provisions**

Provisions are recognized when the Group and the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provisions are reviewed at each statement of financial position date and adjusted in order to present the most reasonable current estimate. If the effect of the time value of money is material, the amount of provision is equal to the present value of the expenses, which are expected to be incurred to settle the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

**Income tax**

Income tax charge is based on profit for the year and considers deferred taxation. Income tax is calculated based on the Lithuanian tax legislation.

The income tax rate in Lithuania was 15 % in 2014 (15 % in 2013).

Since 2008 tax losses can be carried forward for indefinite period, except for the losses incurred as a result of disposal of securities and/or derivative financial instruments. Such carrying forward is disrupted if the Company changes its activities due to which these losses incurred except when the Company does not continue its activities due to reasons which do not depend on Company itself. The losses from disposal of securities and/or derivative financial instruments can be carried forward for 5 consecutive years and only be used to reduce the taxable income earned from the transactions of the same nature. Starting from 2010, tax losses can be transferred at no consideration or in exchange for certain consideration between the group companies if certain conditions are met.

Deferred taxes are calculated using the statement of financial position liability method. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to reverse based on tax rates enacted or substantially enacted at the statement of financial position date.

Deferred tax asset has been recognized in statement of financial position to the extent the management believes it will be realized in the foreseeable future, based on taxable profit forecasts. If it is believed that part of the deferred tax asset is not going to be realized, this part of the deferred tax asset is not recognized in the financial statements.

Investment tax credit, that arises from tax benefit amount carried forward, qualifies for the initial recognition exception. Therefore, no deferred tax asset is recognized at the time the tax credit arises, but recognition occurs as a reduction of current tax as the credit is realized.

Deferred tax assets and liabilities are offset when they are related to profit taxes levied by the same tax authority and when there is a legally enforceable right to set off current tax assets against current tax liabilities.

#### Income tax and deferred tax for the accounting period

Income tax and deferred income tax are charged or credited to profit or loss, except when they relate to items included directly to equity, in which case the deferred income tax is also accounted for in equity.

#### **Revenue recognition**

##### *a) Sales of goods*

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Sales are recognized net of VAT and discounts.

Revenue from sales of goods is recognized when delivery has taken place and transfer of risks and rewards has been completed.

##### *b) Interest income*

Interest income is recognized using the effective interest method. When a loan and receivable is impaired, the Group and the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognized using the original effective interest rate. Interest income is classified as financing cash flows in the statement of cash flows.

#### **Expense recognition**

Expenses are recognized on the basis of accrual and revenue and expense matching principles in the reporting period when the income related to these expenses was earned, irrespective of the time the money was spent. In those cases when the costs incurred cannot be directly attributed to the specific income and they will not bring income during the future periods, they are expensed as incurred.

The amount of expenses is usually accounted for as the amount paid or due, excluding VAT. In the cases when a long period of payment is established and the interest is not distinguished, the amount of expenses shall be estimated by discounting the amount of payment using the market interest rate.

#### **Foreign currencies**

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies on the statement of financial position date are recognized in the statement of comprehensive income. Such balances are translated at period-end exchange rates.

#### **Impairment of assets**

##### Financial assets

Financial assets are reviewed for impairment at each statement of financial position date.

For financial assets carried at amortized cost, whenever it is probable that the Group and the Company will not collect all amounts due according to the contractual terms of loans or receivables, an impairment or bad debt loss is recognized in the statement of comprehensive income. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The reversal of impairment losses previously recognized is recorded when the decrease in impairment loss can be justified by an event occurring after the write-down. Such reversal is recorded in the statement of comprehensive income. However, the increased carrying amount is only recognized to the extent it does not exceed the amortized cost that would have been had the impairment not been recognized.



### Non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. Reversal is accounted for in the same caption of the statement of comprehensive income as impairment losses. For evaluation of impairment of assets the entire Group is considered one cash generating unit.

### **Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of directors that makes strategic decisions.

### **Related parties**

Related parties are defined as shareholders, employees, members of the Board, their close relatives and companies that directly or indirectly (through the intermediary) control or are controlled by, or are under common control with, the Group and the Company, provided the listed relationship empowers one of the parties to exercise the control or significant influence over the other party in making financial and operating decisions.

### **Contingencies**

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the financial statements but disclosed when an inflow or economic benefits is probable.

### **Subsequent events**

Post-statement of financial position events that provide additional information about the Group's and the Company's position at the statement of financial position date (adjusting events) are reflected in the financial statements. Post-statement of financial position events that are not adjusting events are disclosed in the notes when material.

### **Offsetting and comparative figures**

When preparing the financial statements, revenue and expenses are not set off, except the cases when certain IFRS specifically require such set-off. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Where necessary, comparative figures have been reclassified to conform with changes in the current year presentation.

### **Use of estimates in the preparation of financial statements**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingencies, at the reporting date and within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

#### Estimates and assumptions

The main areas where management is required to make significant and critical judgements and areas where estimates and assumptions might have significant impact for the preparation of financial statements are described below:

##### *Property, plant and equipment – useful life*

The key assumptions concerning determination the useful life of property, plant and equipment are as follows: expected usage term of the asset, expected technical or commercial obsolescence arising from changes or improvements in the production on legal or similar limits on the use of the asset, such as the expiry dates of related leases.

##### *Tax liabilities*

The tax authorities have a right to examine the Company's books and accounting records at anytime during the 5 years' period after the current tax year and account for additional taxes and fines. In the opinion of the Company's management currently there are no circumstances which would raise substantial liability in this respect.

##### *Related party transactions*

In the normal course of business the Company enters into transactions with its related parties. These transactions are priced predominantly at market rates. Judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties.

##### *Pension and jubilee benefits*

Key assumptions used in determining the provision for pension and jubilee benefits are as follows: employee turnover rate by age group, discount rate, and wage and salary growth. The Company's management makes judgments in relation to these assumptions.

## 2 SEGMENT REPORTING

Management of the Company has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions.

The board of directors considers the business from both a geographic and product perspective to certain extent. Geographically, management considers sales volume to Lithuania, the European Union countries and the rest of the world depending on where the production is delivered. From product perspective management considers only the product quantities delivered by product type. All financial information, including the measure of profit and total assets, is analyzed as single reportable segment – furniture production and trade, therefore is not further disclosed in these financial statements.

Breakdown of revenue by the location where production is delivered:

	<b>Sales</b>	
	<b>31.12.2014</b>	<b>31.12.2013</b>
	<b>LTL thousand</b>	<b>LTL thousand</b>
European Union countries	131 348	106 244
Other than European Union countries	78 029	58 006
Lithuania	3 689	1 866
	<b>213 066</b>	<b>166 116</b>

## 3 DISTRIBUTION COSTS

	<b>31.12.2014</b>	<b>31.12.2013</b>
	<b>LTL thousand</b>	<b>LTL thousand</b>
Transportation and storage costs	2 423	2 875
Remuneration and social insurance	266	300
Depreciation and amortization	33	31
Other	384	353
	<b>3 106</b>	<b>3 559</b>

#### 4 ADMINISTRATIVE COSTS

	31.12.2014	31.12.2013
	LTL thousand	LTL thousand
Remuneration and social insurance	3 756	3 614
Depreciation and amortization	330	357
Operation taxes expenses	388	322
Employee training and consultation	226	235
Insurance	168	167
Waste utilisation expenses	176	130
Business trips	69	96
Utilities and communication	85	117
Bank services	49	24
Other	1 373	1 242
	<b>6 620</b>	<b>6 304</b>

#### 5 OTHER OPERATING INCOME, NET

	31.12.2014	31.12.2013
	LTL thousand	LTL thousand
Rent income	618	655
Other income and costs	10	78
	<b>628</b>	<b>733</b>

#### 6 FINANCIAL INCOME, NET

	31.12.2014	31.12.2013
	LTL thousand	LTL thousand
Loan interest income	(371)	31
Currency exchange profit, less loss	(24)	(22)
	<b>(395)</b>	<b>9</b>

## 7 PERSONNEL COSTS

	31.12.2014	31.12.2013
	LTL thousand	LTL thousand
Production and product development costs	23 723	16 665
Sales, administrative and other costs	4 023	3 914
	<b>27 746</b>	<b>20 579</b>

## 8 EARNINGS PER SHARE

The basic portion of earnings per share is computed by dividing net shareholders' earnings by the weighted average number of common shares outstanding during the year.

	31.12.2014	31.12.2013
	LTL thousand	LTL thousand
Net annual profit	16 476	14 311
Weighted average number of the shares (thousand)	3 886	3 886
<b>Earnings per share (LTL)</b>	<b>4.24</b>	<b>3.68</b>

The Company has issued no other securities that could be potentially converted into common shares. The earnings per share and the earnings per potentially convertible share is the same.

## 9 NON - CURRENT TANGIBLE ASSETS

	LTL thousand				
	Buildings	Machinery and equipment	Vehicles	Other non - current assets	Total
Costs as of 1 January 2014	24 030	86 997	645	4 876	116 548
Increase	-	4 949	6	387	5 342
Sales	-	(1)	-	(12)	(13)
Writing off	-	(295)	-	(110)	(405)
Reclassified from/ to	-	1 208	-	(1 208)	-
Costs as of 31 December 2014	24 030	92 858	651	3 933	121 472
Depreciation as of 1 January 2014	12 035	52 652	242	2 637	67 566
Depreciation	617	5 221	114	305	6 257
Sales	-	(1)	-	(8)	(9)
Writing off	-	(251)	-	(109)	(360)
Depreciation as of 31 December 2014	12 652	57 621	356	2 825	73 454
<b>Net carrying value as of 31 December 2014</b>	<b>11 378</b>	<b>35 237</b>	<b>295</b>	<b>1 108</b>	<b>48 018</b>
<b>Net carrying value as of 1 January 2014</b>	<b>11 995</b>	<b>34 345</b>	<b>403</b>	<b>2 239</b>	<b>48 982</b>
Depreciation period	40 years	6 – 10 Years	5 – 10 years	2 – 6 years	-

Depreciation was broken down as follows:

	31.12.2014	31.12.2013
	LTL thousand	LTL thousand
Production and product development costs	5 921	5 113
Sales, administrative and other costs	301	300
Production in progress and finished products inventories	35	(91)
	<b>6 257</b>	<b>5 322</b>

## 10 INVENTORIES

	31.12.2014	31.12.2013
	LTL thousand	LTL thousand
Raw materials	5 203	4 306
Production in progress	4 189	2 548
Finished products	6 274	6 676
Goods for resale	10	8
	<b>15 676</b>	<b>13 538</b>

Raw materials include wood, fittings and accessories, plastic elements, chemicals and other materials used in production.

## 11 OTHER ACCOUNTS RECEIVABLE

	31.12.2014	31.12.2013
	LTL thousand	LTL thousand
VAT recoverable	1 220	1 081
Other amounts receivable and future costs	307	281
	<b>1 527</b>	<b>1 362</b>

## 12 CASH AND CASH EQUIVALENTS

	31.12.2014	31.12.2013
	LTL thousand	LTL thousand
Cash in banks	3 783	2 082
	<b>3 783</b>	<b>2 082</b>

### 13 CAPITAL AND RESERVES

#### Share capital

The share capital is made up of 3 886 267 common shares of the nominal value of LTL 4, while the total value of the share capital amounts to LTL 15 545 thousand.

#### Legal reserve

The reserve of LTL 1 554 thousand is the legal reserve made under the laws of the Republic of Lithuania. An allocation of at least 5% of the net profit must be made into the legal reserve out of the profit to be appropriated every year until the legal reserve reaches 10% of the authorized capital.

### 14 LOANS AND OTHER BORROWINGS

	31.12.2014	31.12.2013
	LTL thousand	LTL thousand
<b>Non - current liabilities</b>		
Finance lease	109	225
Credits	12 264	-
<b>Net carrying value as end of period</b>	<b>12 373</b>	<b>225</b>
<b>Short - term liabilities</b>		
Current portion of finance lease	116	55
Current portion of credits	12 264	-
Credit line	5 386	5 547
<b>Net carrying value as end of period</b>	<b>17 766</b>	<b>5 602</b>
	<b>30 139</b>	<b>5 827</b>

	Maturity term	31.12.2014	31.12.2013
		LTL thousand	LTL thousand
Finance lease Danske Bank A/S	2017	225	280
Credit line Danske Bank A/S	2015	5 386	5 547
Credit Danske Bank A/S	2016	24 528	-

The Company's buildings, machinery, inventory and the current cash balances at and future inflows to the Company's accounts at Danske Bank A/S Lithuania branch were pledged as a collateral for loans granted.

### Interest risk

Euribor related floating interest rates are applied to the loans extended to the Company.  
As of 31 December 2014 the Company used no financial instruments as interest risk hedging.

Schedule of payment for financial liabilities, secured with pledged assets:

	Total amount payable as of 31 December 2014	2015	2016	2017
	LTL thousand	LTL thousand	LTL thousand	LTL thousand
Finance lease	225	116	50	59
Credit line	5 386	5 386	-	-
Credit	24 528	12 264	12 264	-
	<b>30 139</b>	<b>17 766</b>	<b>12 314</b>	<b>59</b>

### 15 POST – EMPLOYMENT ANT OTHER LONG TERM EMPLOYEE BENEFITS

	31.12.2014	31.12.2013
	LTL thousand	LTL thousand
Post – employment and other long term employee benefits	2 055	1 660
	<b>2 055</b>	<b>1 660</b>

Provision for pension and jubilee benefits comprise amounts calculated according to the collective agreement affective at the Company. Every employee of the Company is entitled to a jubilee benefit and 2 or 3 month salary payment on the leaving the Company after reaching the retirement age.

### 16 OTHER LIABILITIES

	31.12.2014	31.12.2013
	LTL thousand	LTL thousand
Remuneration and social insurance	1 079	1 026
Holiday pay reserve	2 825	2 084
Dividends payable	3 391	2 625
Amounts payable for the take-over of tax losses	-	253
Operating taxes	122	69
Other accounts payable and accrued taxes	79	106
	<b>7 496</b>	<b>6 163</b>

### Currency risk

The Company's exposure to the currency risk when selling, purchasing and borrowing in foreign currencies, except EUR is mostly related to the PLN.



## 17 RELATED PARTY TRANSACTIONS

31.12.2014	Purchases	Sales	Receivables	Payables
	LTL thousand	LTL thousand	LTL thousand	LTL thousand
Inreal valdymas UAB	171	391	21	-
Invalda privatus kapitalas AB	7	-	-	-
BAIP UAB	66	-	-	-
Acena UAB	9	-	-	-
Inservis UAB	4	-	-	-
Kelio ženklai UAB	1	-	-	-
	<b>258</b>	<b>391</b>	<b>21</b>	<b>-</b>

31.12.2013	Purchases	Sales	Receivables	Payables
	LTL thousand	LTL thousand	LTL thousand	LTL thousand
Inreal valdymas UAB	176	726	27	-
Inreal UAB	19	-	-	-
Inreal pastatų priežiūra UAB	2	-	-	-
BAIP UAB	96	-	-	5
Invalda privatus kapitalas AB	-	2	-	-
Kelio ženklai UAB	60	1	-	24
Acena UAB	138	-	-	-
	<b>491</b>	<b>729</b>	<b>27</b>	<b>29</b>

As at 31 December 2012, the Company took over tax losses of LTL 10 158 thousand from companies whose parent entity is Invalda AB. As at 31 December 2013 therefore liability to related parties amounting to LTL 253 thousand are accounted in other current liabilities. In 2013 discount value of tax losses taken over from Invalda Group companies amounted to 6 thousand LTL.

## 18 IMPORTANT EVENTS, WHICH HAVE OCCURRED SINCE THE END OF THE LAST FISCAL YEARS, AND REVIEW OF ACTIVITIES

During the 2014 the Company paid special attention to the production of new products, increasing of productivity and quality improvement. These tasks were implemented by installing new equipment, introducing advanced technologies, applying LEAN methodology in the fields of manufacturing processes, performance management, employees' skills and their involvement in continuous improvement activities.

### Important events, which have occurred since the end of the last fiscal years

The Management Board appointed Dalius Aleksandravicius, who has experience of large companies' management, to lead Vilniaus Baldai AB since 6 January, 2014.

On 22 April, 2014 Vilniaus Baldai AB announces unfortunate death of Dalius Aleksandravicius the director of the company.

Since 22 April, 2014 until new CEO of Vilniaus Baldai AB is appointed, Rasa Cencoviene will temporary serve as the CEO of the company.

Vilniaus Baldai AB received notification regarding Vilniaus Baldai AB shares sale purchase agreement signed on 28 April, 2014, under which Invalda LT AB transfers 45.4 % (1 764 405 shares) of Vilniaus Baldai AB shares to Invalda privatus kapitalas AB.

On the initiative and decision of the Company's Management Board the Ordinary General Shareholders Meeting of Vilniaus Baldai AB is to be held on 29 April, 2014 at 10 a. m. in Savanoriu ave. 178B, Vilnius.

On 29 April, 2014 the Annual General Shareholders Meeting of Vilniaus Baldai AB shareholders was held. The meeting resolved to:

Item1 of the Agenda: Consolidated annual report.  
The Company's consolidated annual report for 2013 was presented.

Item2 of the Agenda: Company's auditor's report.  
The report of auditor PricewaterhouseCoopers UAB for 2013 was presented.

Item3 of the Agenda: Approval of the Company's financial statements for 2013.  
Resolution: to approve Company's financial statements for 2013.

Item4 of the Agenda: Approval of the Company's consolidated financial statements for 2013.  
Resolution: to approve Company's consolidated financial statements for 2013.

Item5 of the Agenda: Approval of the Company's profit distribution.  
Resolution: to approve Company's profit distribution.

Undistributed retained earnings, brought forward	29 857 089 LTL	8 647 210 EUR
Net result for the current year	14 339 430 LTL	4 152 986 EUR
Profit (loss) not recognized in the income statement of the reporting financial year	57 789 LTL	16 737 EUR
Transfer from the reserve for own shares acquisition	25 000 000 LTL	7 240 500 EUR
Distributable result	69 254 308 LTL	20 057 433 EUR
Transfers to the obligatory reserves	-	-
Profit transfers to the reserves for own shares acquisition	-	-
Transfers to other reserves	-	-
To be paid as dividends for the period shorter than financial year (30 June, 2013)*	34 976 403 LTL	10 129 866 EUR
To be paid as dividends**	34 199 150 LTL	9 904 758 EUR
To be paid as annual payments (bonus) to board of	-	-
Undistributed retained earnings, carried forward	78 755 LTL	22 809 EUR
*9 LTL (2.61 EUR) of dividends per one ordinary share		
**8.8 LTL (2.55 EUR) of dividends per one ordinary share.		

The Management Board of Vilniaus Baldai AB appointed Rimantas Vaitkus, who has long-term experience in managing companies, to lead Vilniaus Baldai AB since 12 May, 2014.

On 28 May, 2014, Invalda privatus kapitalas AB and Invalda LT AB completed Vilniaus Baldai AB shares sale purchase transaction after which Invalda privatus kapitalas AB acquired ownership right to 45.40 percent of Vilniaus Baldai AB shares and votes (together with shares already owned – 86 percent of shares and votes).

On 28 May, 2014 Vilniaus Baldai AB received a notification from the Board member Darius Sulnis regarding resignation from the Board from 11 June, 2014.

On 29 May, 2014 Vilniaus Baldai AB received notification from shareholder Invalda LT AB about disposal of voting rights. The threshold that was crossed – 40 percent. The event resulting in the change of the number of the voting rights held the disposal of shares granting voting rights.

On 29 May, 2014 Vilniaus Baldai AB received notification from shareholder Invalda privatus kapitalas AB about acquisition of voting rights. The threshold that was crossed – 75 percent. The event resulting in the change of the number of the voting rights held the acquisition of shares granting voting rights.

On the initiative and decision of the Company's Management Board the Extraordinary General Shareholders Meeting of Vilniaus baldai AB is to be held on 8 October, 2014 at 10 a. m. in Savanoriu ave. 178B, Vilnius.

The Management Board of Vilniaus baldai AB approved the Company's draft resolutions of the Extraordinary General Shareholders meeting that will take place on the 8th of October.

Item1 of the Agenda: Changing financial year of Vilniaus baldai AB.

Draft resolution:

To change the financial year of Vilniaus baldai AB: the beginning of the financial year shall be the first day of September and the end shall be the thirty first of August.

In accordance with the provisions of paragraph 2 of Article 2.52 of the Civil Code of the Republic of Lithuania, whereas the period from the beginning of the financial year to the end of the new financial year is longer than eighteen months, transitional financial year is set and its beginning is the end of the previous financial year whereas the end of it – the beginning of the new financial year.

Item2 of the Agenda: Amendment of Regulations of Vilniaus baldai AB and approval of new wording of Regulations.

Draft resolution:

In accordance with part 1 of this decision and actual version of the Law on Companies of the Republic of Lithuania, dated 13 July, 2000, No. VIII-1835, approve new wording of Regulations of Vilniaus baldai AB and change all text of Regulations.

Authorize the general manager Rimantas Vaitkus to sign new wording of Regulations of Vilniaus baldai AB.

Item3 of the Agenda: Election of the audit company and determination of the conditions for audit remuneration.

Draft resolution:

3.1. To elect UAB "KPMG Baltics", code 111494971, registered address Upes str. 21, Vilnius, audit company certificate No. 001281 to conduct audit of financial statements for 2014 (ending on 31 of December) and interim financial statements for 2015 (ending on 31 of August).

3.2. To set these remuneration conditions:

3.2.1. Remuneration for the audit of financial statements for 2014 shall be equal to 55 245 Lt (16 000 EUR), VAT is not included and shall be calculated and paid additionally according to the laws.

3.2.2. Remuneration for the audit of interim financial statements for 2015 shall be equal to 46 613 Lt (13 500 EUR), VAT is not included and shall be calculated and paid additionally according to the laws.

3.3. In case additional services are provided under the audit services contract, additional remuneration shall be paid and it shall be calculated according to hourly rates of employees of UAB "KPMG Baltics" who participate while providing such additional services.

3.4. Additional remuneration shall be paid after additional services were provided.

Item4 of the Agenda: Election of the Company's member of the Board.

Draft resolution:

Appoint Vaidas Savukynas as the member of the Board, until the expiry of the term of office of the current Board.

Item5 of the Agenda: Amendment of Audit committee activity regulations and approval of new wording activity regulations.

Draft resolution:

Change Audit committee activity regulations and set that the Audit committee shall consist of two members, one of which shall be independent.

Approve changes of Audit committee activity regulations, relating to above (to change all text of regulations).

### **Financial results of activities**

Turnover of the Group during period 2014 January – March was 52 914 thousand LTL (15 325 thousand EUR), same period year 2013 – 35 135 thousand LTL (10 176 thousand EUR).

Net profit of the Group during period 2014 January – March was 5 486 thousand LTL (1 589 thousand EUR), same period year 2013 net profit was 3 185 thousand LTL (922 thousand EUR). EBITDA was 7 342 thousand LTL (2 126 thousand EUR). Year ago it was 4 817 thousand LTL (1 395 thousand EUR).

Turnover of the Group during period 2014 April – June was 48 605 thousand LTL (14 077 thousand EUR), same period year 2013 – 33 186 thousand LTL (9 611 thousand EUR).

Net profit of the Group during period 2014 April – June was 3 836 thousand LTL (1 111 thousand EUR), same period year 2013 – 2 062 thousand LTL (597 thousand EUR). EBITDA was 5 787 thousand LTL (1 676 thousand EUR). Year ago it was 3 109 thousand LTL (900 thousand EUR).

Turnover of the Group during period 2014 July – September was 57 260 thousand LTL (16 584 thousand EUR), same period year 2013 – 53 375 thousand LTL (15 458 thousand EUR).

Net profit of the Group during period 2014 July – September was 4 323 thousand LTL (1 252 thousand EUR), same period year 2013 – 6 164 thousand LTL (1 785 thousand EUR). EBITDA was 6 612 thousand LTL (1 915 thousand EUR). Year ago it was 8 344 thousand LTL (2 417 thousand EUR).

Turnover of the Group during period 2014 October – December was 54 287 thousand LTL (15 723 thousand EUR), same period year 2013 – 44 420 thousand LTL (12 865 thousand EUR).

Net profit of the Group during period 2014 October – December was 2 831 thousand LTL (820 thousand EUR), same period year 2013 – 2 900 thousand LTL (840 thousand EUR). EBITDA was 4 928 thousand LTL (1 427 thousand EUR). Year ago it was 4 791 thousand LTL (1 388 thousand EUR).

Turnover of the Group during period 2014 January – December was 213 066 thousand LTL (61 708 thousand EUR), same period year 2013 – 166 116 thousand LTL (48 110 thousand EUR).

Net profit of the Group during period 2014 January – December was 16 476 thousand LTL (4 772 thousand EUR), same period year 2013 – 14 311 thousand LTL (4 145 thousand EUR). EBITDA was 24 669 thousand LTL (7 145 thousand EUR). Year ago it was 21 061 thousand LTL (6 100 thousand EUR).

Since the end of the reporting fiscal year till the interim condensed consolidated financial statement confirmation there were no important events at the Company.

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